

annual
report
1971

canada
growth
fund



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CANADA GROWTH FUND is managed by **PLANNED INVESTMENT MANAGEMENT LTD.**, a wholly-owned subsidiary of **PLANNED INVESTMENTS CORPORATION**. Planned Investments Corporation was acquired by the **COMMERCIAL UNION ASSURANCE COMPANY LIMITED** on September 28, 1971. In certain provinces, dual licensing arrangements have been completed whereby Planned Investments Corporation sells the life insurance products and services of Commercial Union.

Commercial Union was formed in London, England in 1861. Commercial Union's first Canadian agency was established in Montreal in 1863.



to our shareholders

Although your Fund increased in Net Asset Value per share in 1971, it did not perform particularly well over the year compared to competitive mutual funds or major stock market indices. Net Asset Value per share rose by 3.37 per cent.

In common with many financial institutions, the year was a difficult one for your Management Company. In order to provide increased stability a majority shareholding of Planned Investments Corporation was purchased by the Commercial Union Assurance Company Limited. Commercial Union is a large life and general insurance company based in the United Kingdom conducting its business in most areas of the Western world, including all of North America. Its large and successful business has been developing in Canada for over a century.

Following the change of control, Russell J. Morrison, C.F.A. was appointed in late October as Investment Consultant to your Management Company for Canada Growth Fund.

I believe that these steps will be constructive for the coming year and for the indefinite future.

The economic and financial setting for progress toward higher levels of prices in equity markets seems propitious for 1972. Especially is this so in North America. Liquidity levels are being restored, interest rates are tending downward, fiscal policies are expansive, inflationary tendencies are coming under control and excess capacity in terms of plant and people has rarely been higher. The international monetary crisis seems to have passed its peak. The international political outlook contains pluses and minuses. Perhaps it is in this area where the greatest surprises may come in 1972.



Yours faithfully,

President

*On behalf of the Board of Directors of
Planned Investment Management Ltd.*

March 1, 1972



portfolio of investments

at December 31, 1971

SECURITIES	SHARES HELD	MARKET VALUE (note 3)
BANKS AND FINANCE (12.29%)		\$
Canada Permanent Mortgage Corporation	36,000	621,000
Crocker National Corporation (U.S.)	20,000	706,542
Great Western Financial Corporation (U.S.)	20,000	561,225
Royal Bank of Canada	20,000	565,000
		<u>2,453,767</u>
BEVERAGES (4.01%)		
Crush International Limited	25,000	437,500
Rheingold Corporation (U.S.)	20,000	363,292
		<u>800,792</u>
CONSUMER PRODUCTS (10.69%)		
Eastman Kodak Company (U.S.)	5,000	487,314
General Cigar Co. Inc. (U.S.)	20,000	486,060
R. J. Reynolds Industries, Inc. (U.S.)	20,000	1,162,538
		<u>2,135,912</u>
DRUGS (3.45%)		
Schering-Plough Corporation (U.S.)	8,000	688,536
MERCHANDISING (12.34%)		
Canadian Tire Corporation Limited "A"	7,800	278,850
Hudson's Bay Company	30,300	579,487
Safeway Stores, Inc. (U.S.)	15,000	539,302
Scott LaSalle Ltd.	45,000	388,125
F. W. Woolworth Co. (U.S.)	15,000	678,355
		<u>2,464,119</u>

SECURITIES

	SHARES HELD	MARKET VALUE
		(note 3)
		\$
MINES AND METALS (8.20%)		
American Smelting and Refining Co. (U.S.)	30,000	593,796
Hollinger Mines Ltd.	14,000	519,750
McIntyre Porcupine Mines Ltd.	3,000	216,000
Texas Gulf Sulphur Co. Inc. (U.S.)	20,000	307,500
		<u>1,637,046</u>
OFFICE EQUIPMENT (7.64%)		
Consolidated Computer Ltd.	6,500	2,600
International Business Machines Corporation (U.S.)	2,000	674,472
The Rank Organisation Limited "A" Ordinary (U.K.)	40,000	850,000
		<u>1,527,072</u>
OILS AND NATURAL GAS (10.15%)		
B.P. Canada Ltd.	50,000	575,000
B.P. Canada Ltd. Class "A"	5,000	100,000
Husky Oil Ltd.	20,000	320,000
Pacific Petroleum Ltd.	5,000	155,000
Scurry-Rainbow Oil Ltd.	20,000	290,634
Shell Investments Limited Warrants	35,000	586,250
		<u>2,026,884</u>
TEXTILES (2.39%)		
Levi Strauss & Co. (U.S.)	10,000	<u>477,293</u>
TRANSPORTATION (4.32%)		
International Utilities Corporation	20,000	<u>862,500</u>

SECURITIES	SHARES HELD	MARKET VALUE
		(note 3)
		\$
UTILITIES (13.30%)		
Brascan Limited	23,000	416,875
Canadian International Power Company Limited	12,000	264,000
Communications Satellite Corporation (U.S.)	15,000	969,616
General Telephone and Electronics Corp. (U.S.)	15,000	471,654
United Gas, Inc. (U.S.)	30,000	533,665
		<u>2,655,810</u>
MISCELLANEOUS (6.44%)		
American Motor Inns, Inc. (U.S.)	20,000	526,148
Cockfield, Brown & Company Limited	49,500	297,000
Fuqua Industries Inc. (U.S.)	20,808	463,962
		<u>1,287,110</u>
TOTAL COMMON STOCKS (95.22%)		<u>19,016,841</u>
BONDS (.58%)		
Consolidated Computer Ltd. (6% convertible debentures due June 15, 1984)	200,000	14,000
Emco Limited (7% convertible debentures due August 1, 1991)	100,000	101,500
TOTAL BONDS		<u>115,500</u>
TOTAL PORTFOLIO (95.80%)		<u>19,132,341</u>
NET CASH AND RECEIVABLES (4.20%)		<u>839,700</u>
TOTAL NET ASSETS (100.00%)		<u>19,972,041</u>



ten largest investments

AMERICAN SMELTING AND REFINING CO.

American Smelting has worldwide interests in metal mining including copper, lead, zinc, gold and silver. It is also the world's largest custom smelter of non-ferrous metals. A major interest is M. I. M. Holdings in Australia. Other major mining interests are located in Peru, United States, Canada and Mexico. Working capital is strong and funded debt is modest in size.

CANADA PERMANENT MORTGAGE CORPORATION

A leading Canadian trust company. Earnings expanding rapidly.

COMMUNICATIONS SATELLITE CORPORATION

This company has a unique position in the rapidly developing satellite communications industry, from the standpoint of both ground station facilities and satellites. While operations currently relate to international communications, we expect that the company will have a growing role in domestic U.S. communications via satellite for both civilian and military purposes.

CROCKER NATIONAL CORPORATION

This corporation is a one-bank holding company whose major subsidiary, operating 282 branches in California, is the twelfth largest bank in the United States. The corporation is attempting to expand its operations in California through acquisitions.



INTERNATIONAL BUSINESS MACHINES CORPORATION

International Business Machines Corporation is by far the world's largest computer manufacturing and computer service company and operates on a worldwide basis. Earnings progress is now accelerating, again.

INTERNATIONAL UTILITIES CORPORATION

This is a conglomerate whose interests include gas, electric, water, sewer and heating utilities in the United States and Canada. It also has substantial interests in shipping, trucking and land development. Recent earnings progress has been particularly closely related to the shipping aspects.

THE RANK ORGANISATION LIMITED

Rapid earnings growth derives from the company's interest in Rank-Xerox which has a 50 per cent interest in xerography in Japan with Fuji-Xerox and in the rest of the world outside of Japan and North and South America. While xerographic earnings are now in excess of 80 per cent of total earnings of the corporation, the Rank Organisation also has substantial interests in leisure time activities, hotels and electronics.

R. J. REYNOLDS INDUSTRIES, INC.

This is the world's largest cigarette manufacturer. While the company is diversifying into containerized freight transportation, convenience foods, beverages and aluminum products and packaging, over 70 per cent of the company's revenues and a larger percentage of profits derive from tobacco. Working capital is strong. Further diversification can be anticipated.

SCHERING-PLOUGH CORPORATION

This is a leading manufacturer and marketer of ethical and proprietary drugs and cosmetics. Growth is regular, strong and highly predictable. Sales outside of North America approximate 30 per cent of the total.

F. W. WOOLWORTH CO.

This is the world's largest variety store. Outside of North America the company has major interests in England and Germany. In addition to variety stores, the company is developing an extensive chain of discount department stores in the United States and Canada. Woolworth also owns and operates the Kinney Shoe Store chain.



mutual fund advantages

When you invest in a mutual fund, you buy shares in an organization which in turn invests your money in a portfolio of securities. The value of your own shares in the fund reflects your proportionate share of the market value of the securities of the fund.

DIVERSIFICATION

The portfolio of a mutual fund contains many different investments. The mutual fund shareholder spreads his risk because his dollar is invested in many different securities.

PROFESSIONAL MANAGEMENT

Most investors cannot afford the time to take care of their own investments. In addition, successful trading in the stock market requires skill developed through experience. A shareholder who invests in a mutual fund benefits from the experience and skill of a highly qualified professional investment manager.

CONVENIENCE

Any investor who owns stocks or bonds, knows that he has to keep his securities in a safe place. In addition, he has to keep track of dividends, stock splits, bonus issues, etc., etc. A shareholder of a mutual fund delegates to the fund the responsibility for looking after these time-consuming tasks. Dividends are usually reinvested automatically in shares of the fund.

LIQUIDITY

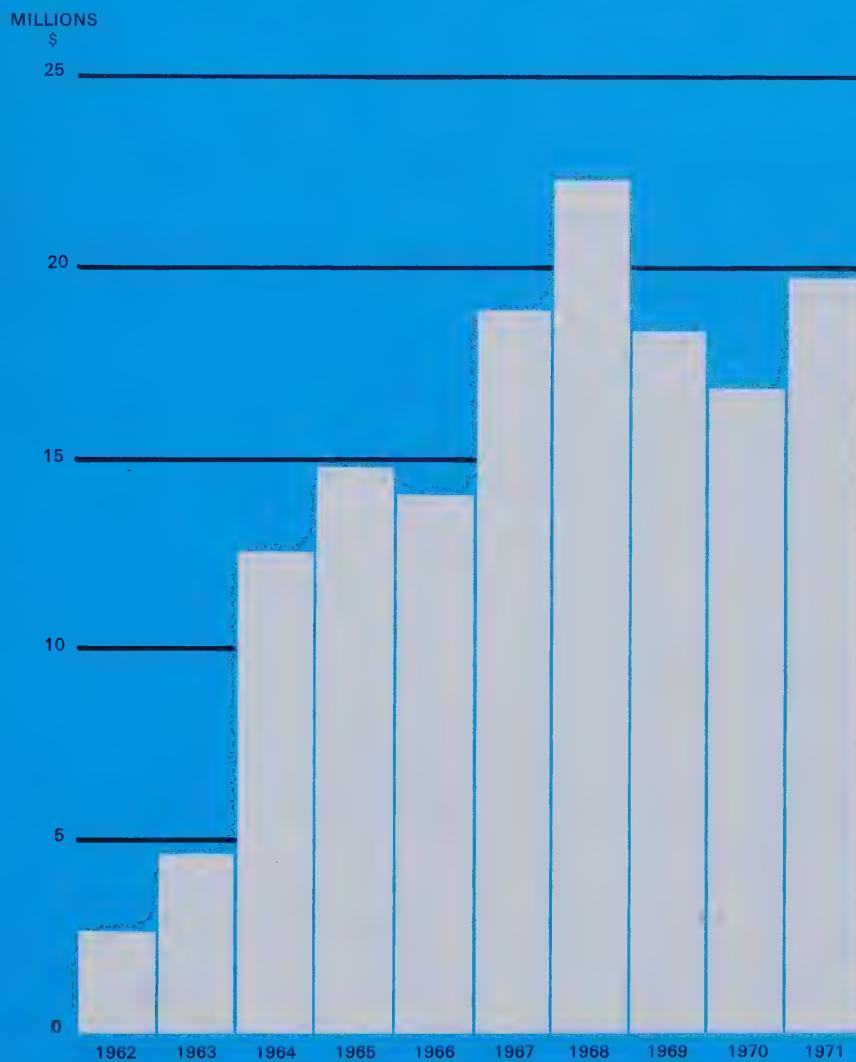
Fund shares may be redeemed for cash at a price based on the net asset value at the time of redemption.

CAPITAL GAINS

Under the new tax law, an investor who buys and sells stocks and bonds has to keep track of the cost and selling prices of each investment for the purpose of calculating capital gains or capital losses when making up his income tax return. If the investor puts his money into a mutual fund, the fund itself calculates the capital gains tax on net realized capital gains year by year.



ten years of growth





financial statements

STATEMENT OF NET ASSETS at December 31, 1971

	1971	1970
	\$	\$
ASSETS		
Investments in securities—at market value (average cost 1971—\$18,329,207; 1970—\$14,887,317)	19,132,341	16,904,734
Short-term bank deposit	—	330,000
Accounts receivable from the sale of investments	1,121,286	752,171
Subscriptions receivable for shares of the Fund sold	286,745	40,819
Dividends and interest receivable	38,718	65,237
	<u>20,579,090</u>	<u>18,092,961</u>
LIABILITIES		
Bank advances	196,386	217,221
Accrued expenses	22,366	42,926
Accounts payable for shares of the Fund redeemed	67,143	400
Accounts payable for the purchase of investments	303,045	851,341
Income distribution payable (note 1)	18,109	14,721
	<u>607,049</u>	<u>1,126,609</u>
NET ASSETS	<u>19,972,041</u>	<u>16,966,352</u>
NET ASSET VALUE PER SHARE	<u>5.51</u>	<u>5.33</u>
SHAREHOLDERS' INTEREST		
Shares of no par value issued and outstanding (notes 1 and 2)		
Issued since inception	6,952,529.747 shares	40,773,570
Redeemed for cancellation	3,325,326.047 shares	20,549,611
Balance outstanding	<u>3,627,203.700 shares</u>	<u>20,223,959</u>
Gains (losses) on investments—		
Realized	(1,055,052)	(2,886,671)
Unrealized	803,134	2,017,417
	<u>(251,918)</u>	<u>(869,254)</u>
Undistributed income (note 1)		74,190
SHAREHOLDERS' INTEREST – PER NET ASSETS ABOVE		<u>19,972,041</u>
		<u>16,966,352</u>

SIGNED ON BEHALF OF THE MANAGER

DAVID DOIG, *Director*

ROY FRASER ELLIOTT, Q.C., *Director*

**STATEMENT OF INCOME AND DISTRIBUTION
for the Five Years ended December 31, 1971**

	Year ended December 31.				
	1971	1970	1969	1968	1967
Income from investments—					
Dividends and interest—net	401,346	420,718	364,502	312,851	399,998
Expenses—					
Management fees	153,338	112,998	143,133	152,429	130,413
Shareholder accounting	34,656	38,941			
Printing and stationery	12,601	8,260	2,409		
Audit	3,082	3,300	2,100		
Custodian, filing fees, capital tax and other expenses	48,899	32,695	18,489		
	<u>252,576</u>	<u>196,194</u>	<u>166,131</u>	<u>152,429</u>	<u>130,413</u>
Net income for the year	148,770	224,524	198,371	160,422	269,585
Undistributed income—beginning of year	74,190				
Portion of value of shares issued and redeemed during the year applicable to their participation in the distribution account (note 2)	(75)	23,231	(3,972)	3,892	5,914
Available for distribution to shareholders	222,885	247,755	194,399	164,314	275,499
Distribution to shareholders	222,885	173,565	194,399	164,314	275,499
Undistributed income—end of year	—	74,190	—	—	—
Average net investment income per share	<u>.044</u>	<u>.076</u>	<u>.073</u>	<u>.060</u>	<u>.106</u>

**STATEMENT OF REALIZED GAINS OR (LOSSES) ON INVESTMENTS
for the Five Years ended December 31, 1971**

	Year ended December 31.				
	1971	1970	1969	1968	1967
Balance—beginning of year	(2,886,671)	1,466,352	663,655	157,250	185,525
Gains or (losses) on sales of investments during the year	1,831,619	(4,353,023)	802,697	506,405	(28,275)
Balance—end of year	<u>(1,055,052)</u>	<u>(2,886,671)</u>	<u>1,466,352</u>	<u>663,655</u>	<u>157,250</u>

**STATEMENT OF UNREALIZED GAINS OR (LOSSES) ON INVESTMENTS
for the Five Years ended December 31, 1971**

	Year ended December 31.				
	1971	1970	1969	1968	1967
Balance—beginning of year	2,017,417	1,419,996	5,736,218	3,917,034	(247,892)
Increase (decrease) during the year in excess of market value over cost of investments held	(1,214,283)	597,421	(4,316,222)	1,819,184	4,164,926
Balance—end of year	<u>803,134</u>	<u>2,017,417</u>	<u>1,419,996</u>	<u>5,736,218</u>	<u>3,917,034</u>

STATEMENT OF NET ASSET CHANGE
for the Five Years ended December 31, 1971

	Year ended December 31,				
	1971	1970	1969	1968	1967
NET ASSETS – BEGINNING OF YEAR	<u>16,966,352</u>	<u>18,226,741</u>	<u>22,196,180</u>	<u>18,898,800</u>	<u>13,814,953</u>
CHANGES IN INVESTMENTS DURING THE YEAR					
Investments in securities –					
Balance at cost – end of year	18,329,207	14,887,317	16,731,042	15,805,347	14,730,771
Balance at cost – beginning of year	<u>14,887,317</u>	<u>16,731,042</u>	<u>15,805,347</u>	<u>14,730,771</u>	<u>13,420,916</u>
Increase (decrease) in cost	<u>3,441,890</u>	<u>(1,843,725)</u>	<u>925,695</u>	<u>1,074,576</u>	<u>1,309,855</u>
Cost of purchases	<u>(30,589,215)</u>	<u>(17,371,696)</u>	<u>(8,055,923)</u>	<u>(10,927,687)</u>	<u>(6,226,049)</u>
Cost of sales	<u>(27,147,325)</u>	<u>(19,215,421)</u>	<u>(7,130,228)</u>	<u>(9,853,111)</u>	<u>(4,916,194)</u>
Proceeds from sales	<u>28,978,944</u>	<u>14,862,398</u>	<u>7,932,925</u>	<u>10,359,516</u>	<u>4,887,919</u>
Realized gains (losses) on sales	<u>1,831,619</u>	<u>(4,353,023)</u>	<u>802,697</u>	<u>506,405</u>	<u>(28,275)</u>
Unrealized gains (losses)	<u>(1,214,283)</u>	<u>597,421</u>	<u>(4,316,222)</u>	<u>1,819,184</u>	<u>4,164,926</u>
Net realized and unrealized gains (losses)	<u>617,336</u>	<u>(3,755,602)</u>	<u>(3,513,525)</u>	<u>2,325,589</u>	<u>4,136,651</u>
CHANGES IN INCOME DURING THE YEAR					
Net income	148,770	224,524	198,371	160,422	269,585
Income distribution to shareholders	<u>222,885</u>	<u>173,565</u>	<u>194,399</u>	<u>164,314</u>	<u>275,499</u>
	<u>(74,115)</u>	<u>50,959</u>	<u>3,972</u>	<u>(3,892)</u>	<u>(5,914)</u>
CHANGES IN CAPITAL STOCK DURING THE YEAR					
Capital stock –					
Proceeds from sale of shares	9,801,851	3,610,280	3,285,466	3,137,519	2,896,370
Cost of redemption of shares	<u>7,339,383</u>	<u>1,166,026</u>	<u>3,745,352</u>	<u>2,161,836</u>	<u>1,943,260</u>
	<u>2,462,468</u>	<u>2,444,254</u>	<u>(459,886)</u>	<u>975,683</u>	<u>953,110</u>
NET ASSET INCREASE (DECREASE) FOR THE YEAR	<u>3,005,689</u>	<u>(1,260,389)</u>	<u>(3,969,439)</u>	<u>3,297,380</u>	<u>5,083,847</u>
NET ASSETS – END OF YEAR	<u>19,972,041</u>	<u>16,966,352</u>	<u>18,226,741</u>	<u>22,196,180</u>	<u>18,898,800</u>
NET ASSET VALUE PER SHARE	<u>5.51</u>	<u>5.33</u>	<u>6.77</u>	<u>8.08</u>	<u>7.22</u>



notes to financial statements

for the Five Years ended December 31, 1971

1. INCOME DISTRIBUTION

On December 31, 1971, the Fund declared a distribution of income for the year of \$222,885 to shareholders of record on that date. Under the terms of the trust deed providing for the automatic re-investment of shareholders' income, \$204,776 of this amount was applied to the purchase of 37,164 shares of the Fund leaving a distribution payable at the year-end of \$18,109.

The distribution per share on an annual basis since the inception of the Fund has been as follows:

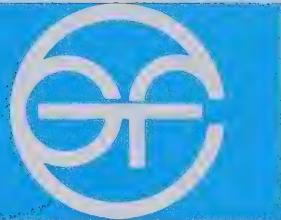
In respect of the years ended December 31,	cents
1961	3.14
1962	7.44
1963	7.46
1964	10.23
1965	11.00
1966	10.00
1967	10.67
1968	6.00
1969	7.29
1970	5.50
1971	6.20

2. SHARES ISSUED AND REDEEMED DURING THE YEAR

During the year 1,720,421.265 shares of the Fund were issued for cash of \$9,801,851. Also during the year 1,278,815.649 shares of the Fund were redeemed for \$7,339,383 cash. In addition, a net debit of \$75 for 1971 and a net credit of \$23,231 for 1970 have been included in the statement of income and distribution, representing the portion of the value of shares issued and redeemed during the years applicable to their participation in the distribution account.

3. FOREIGN EXCHANGE

The market values of investments quoted in foreign funds have been translated to Canadian funds at the rate of exchange prevailing on December 31, 1971 and their cost at the rates prevailing on the dates of acquisition. Other foreign fund accounts have been translated at the rate prevailing on December 31, 1971.



auditors' report

TO THE MANAGER, CANADA GROWTH FUND.

We have examined the following financial statements of Canada Growth Fund:

Statement of net assets as at December 31, 1971.

Statements of income and distribution, realized gains or (losses) on investments, unrealized gains or (losses) on investments and net asset change for the five years ended December 31, 1971.

Portfolio of investments as at December 31, 1971.

Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of and the investments held by the Fund as at December 31, 1971 and the results of its operations and the change in its net assets for the five years then ended, in accordance with generally accepted accounting principles applied on a consistent basis throughout the five years.

**FEBRUARY 1, 1972
MONTREAL, QUEBEC**

**McDONALD, CURRIE & CO.
CHARTERED ACCOUNTANTS**

your pic mutual funds



CANADA GROWTH FUND



TAURUS FUND LIMITED



PLANNED RESOURCES FUND LTD.



*Shareholders may transfer all or part
of one PIC sponsored fund to another.*



your pic mutual funds

CANADA GROWTH FUND

Assets under Management at December 31, 1971 –
\$19,972,041

This is an excellent quality mutual fund investing in blue chip securities which commenced in 1961. Emphasis is placed primarily on capital growth. Income distributions are reinvested in mutual fund shares unless the client specifically requests management to forward the dividend payment direct.

The portfolio contains mainly North American securities although the fund can invest the world-over to benefit from geographical diversification.

TAURUS FUND LIMITED

Assets under Management at December 31, 1971 –
\$3,612,965

This is an aggressive "venture" type mutual fund. It commenced business in 1966. Investments are made in companies with above average growth expectation. The portfolio contains mainly North American securities although the fund may invest in other parts of the world.

PLANNED RESOURCES FUND LTD.

Assets under Management at December 31, 1971 –
\$3,889,066

As the name implies, this fund invests in base metals, exploration and holding companies, oil and gas stocks and other minerals. Most of the securities held are Canadian.

At its inception in 1966, the fund was known as the Molson "M" Fund. It was acquired by Planned Investments Corporation in 1969 when its name was changed to Planned Resources Fund Ltd. Ownership of this fund gives the shareholder the opportunity to participate in the resources development of Canada.



management

SPONSOR AND GENERAL DISTRIBUTOR

Planned Investments Corporation
Montreal, Quebec

MANAGER

Planned Investment Management Ltd.

DIRECTORS OF THE MANAGER

Robert C. Cooper
Deputy General Manager for Canada
Commercial Union Assurance Company Limited
Montreal, Quebec

David Doig
President and General Manager
Planned Investments Corporation
Montreal, Quebec

Roy Fraser Elliott, Q.C.
Senior Partner
Stikeman, Elliott, Tamaki, Mercier & Robb
Montreal, Quebec

Richard A. Hubbard
Vice President
Commercial Union Companies
Boston, Massachusetts

Douglas R. McCulloch
Chief Actuary for Canada
Commercial Union Assurance Company Limited
Montreal, Quebec

Calixa Narcisse Moisan
President and General Manager
Standard Paper Box
Montreal, Quebec

Francis W. Pearson
General Manager for Canada
Commercial Union Assurance Company Limited
Montreal, Quebec

INVESTMENT CONSULTANT

Russell J. Morrison, C.F.A.
Investment Consultant
Toronto, Ontario

TRUSTEE

Crown Trust Company
Winnipeg, Manitoba

AUDITORS

McDonald, Currie & Co.
Montreal, Quebec

LEGAL COUNSEL

Stikeman, Elliott, Tamaki, Mercier & Robb
Montreal, Quebec



CMFA
member of
The Canadian
Mutual
Funds
Association



a planned investments corporation fund